SUBJECT-BILL NO.-NAME DATE W. North Aug OSTICH PULLSO T r macast 4 ule 99-150 SENATE HEARING SLIP Street Address or Route Number) only; Neither for nor against:| (Please Print Plainly) but not speaking: but not speaking: Speaking for information Registering in Favor: Registering Against: Speaking in Favor: Speaking Against: Representing BILL NO._(SUBJECT DATE

Please return this slip to a messenger PROMPTLY,

Senate Sergeant-At-Arms State Capitol - B35 South

Madison, WI 53707-7882

P.O.Box 7882

Please return this slip to a messenger PROMPTLY. SENATE HEARING SLIP (Street Address or Route Number) only; Neither for nor against: (Please Print Plainly) Senate Sergeant-At-Arms State Capitol - B35 South 00 Madison, WI 53707-7882 but not speaking: Speaking for information but not speaking: 7(0C#22S Ö Registering in Favor: Registering Against: Speaking in Favor: (City and Zip Code) Speaking Against: P.O.Box 7882 (Representing) SUBJECT. BILL NO. (NAME) DATE Please return this slip to a messenger PROMPTLY. アーエー 「して」 SENATE HEARING SLIP 53703 KS //ora (Street Address or Route Number) Nisconsin Vernocracy only; Neither for nor against: (Please Print Plainly) Senate Sergeant-At-Arms State Capitol - B35 South Madison, WI 53707-7882 Speaking for information but not speaking: but not speaking: Cadiar, Di S 1 0 V Registering in Favor: Registering Against: Speaking in Favor: (City and Zip Code) Speaking Against: z Z P.O.Box 7882 (Representing) ٠ ج SI MOX > عزير

SENATE HEARING SLIP

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SENATE HEARING SLIP

(Please Print Plainly)

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Senate Sergeant-At-Arms State Capitol - B35 South

P.O.Box 7882 Madison, WI 53707-7882

Speaking for information



Wisconsin Speaker Pro Tempore Representative Stephen I. Freese

February 16, 2000

Hon. Robert Wirch, Chair Senate Committee on Economic Development, Housing and Government Operations 310 South, State Capitol

Dear Senator Wirch,

As chair of the Assembly Campaigns and Elections Committee I am notifying you that the committee voted today to object to Clearinghouse Rule 99-150 in its entirety. We base our objection on the following:

Pursuant to section 227.19 (4) (d) 2, 5, and 6 of Wisconsin Statutes

The Rule will now be referred to the Joint Committee for Review of Administrative Rules.

Sincerely,

Chair

Assembly Committee on Campaigns and Elections



To:

Members, Committee on Economic Development, Housing and Government

Operations

From:

Senator Robert Wirch, Chairman

Date:

February 14, 2000

Re:

Paper Ballot - Vote to Object to Clearinghouse Rule 99-150, Related to Express

Advocacy

Please return your ballots as quickly as possible. Your consideration is greatly appreciated.

Motion by Senator Wirch that the Senate Committee on Economic Development, Housing and Government Operations object to Clearinghouse Rule 99-150, related to express advocacy, pursuant to Section 227.19 (4) (d) 6., WI Stats.

Aye ____

No _____

Signature:

Date:

2-14-00



To:

Members, Committee on Economic Development, Housing and Government

Operations

From:

Senator Robert Wirch, Chairman

Date:

February 14, 2000

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Aye No. Signature: Date:

** Note: The hearing on this rule was held February 9, 2000.

Printed on Recycled Paper



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Members, Committee on Economic Development, Housing and Government

Operations

From:

Senator Robert Wirch, Chairman

Date:

February 14, 2000

Re:

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Aye	\nearrow	No
- —		

Signature: Signature:



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Operations

From:

Senator Robert Wirch, Chairman

Date:

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Aye ____No

Signature:

Date:



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Operations

From:

Senator Robert Wirch, Chairman

Date:

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Motion by Senator Wirch that the Senate Committee on Economic Development, Housing and Government Operations object to Clearinghouse Rule 99-150, related to express advocacy, pursuant to Section 227.19 (4) (d) 6., WI Stats.

	1/				
Aye			No		

Signature:

Date:

Smith, Beth

From:

Burnett, Douglas

Sent:

Friday, January 14, 2000 3:40 PM

To:

Smith, Beth

Subject:

Paper ballot on uniformity clause

Hey Beth-Could you do a paper ballot on the uniformity clause joint res. so we can have it in Org. by Monday after, Jan 26? We'd like to have it on the calendar on Tuesday, Jan. 27. Your boss says he's okay if you're okay.

Also, I talked to him about a hearing on the Elections Board issuue advocacy rule, and he says okay on scheduling a hearing on that. I think you have to notice it by Friday, Jan 21, and hold the hearing by February 18.

WISCONSIN LEGISLATIVE COUNCIL STAFF

RULES CLEARINGHOUSE

Ronald Sklansky Director (608) 266-1946

Richard Sweet Assistant Director (608) 266-2982



Jane R. Henkel, Acting Director Legislative Council Staff (608) 266–1304

One E. Main St., Ste. 401 P.O. Box 2536 Madison, WI 53701-2536 FAX: (608) 266-3830

CLEARINGHOUSE RULE 99–150

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

2. Form, Style and Placement in Administrative Code

- a. Only those provisions of the current administrative code actually being amended should be replicated in the rule. Thus, s. ElBd 1.28 (1) (intro.) and (2) (intro.) should be deleted. However, the board may wish to use this rule to correct s. ElBd 1.28 (1) (intro.) to read: "As used in this section:".
- b. Since the bulk of s. ElBd 1.28 (2) (c) is being added, it may be preferable to simply repeal and recreate the entire paragraph. This would remove the need for such significant underscoring. Also, each subdivision in par. (c) should end with a period, rather than a semicolon.

4. Adequacy of References to Related Statutes, Rules and Forms

- a. The cover letter to the rule submitted to the Clearinghouse asserts that there are no court decisions directly relating to the content or adoption of the rule. The analysis to the rule correctly contradicts that assertion. In addition, the Wisconsin Supreme Court case referenced can now be referred to by its reporter citations (227 Wis. 2d 650, 597 N.W.2d 721). The official caption of that case should also be reviewed and corrected in the rule as necessary.
- b. The "NOTICE OF PROPOSED RULE" lists several statutory sections as authority for, or as being interpreted by, the rule. It appears that only the references to ss. 5.05 (1) (f) and

227.11 (2) (a) directly relate to the contents of the rule. The other references should be reviewed closely and changed if necessary. This same problem exists in the paragraph immediately preceding Section 1 of the rule, the introductory clause. In addition, that paragraph misidentifies the administrative rule sections being amended in the rule. The statutory basis for the rule, the statutes being interpreted by the rule and the administrative code provisions modified by the rule should all be reviewed carefully so accurate information is being presented to readers of the rule.

5. Clarity, Grammar, Punctuation and Use of Plain Language

- a. The rule's analysis is largely unhelpful in understanding the intent and impact of the rule. First, the analysis fails to put the rule changes in context. It does not explain why the rule is necessary or why the current rule is insufficient. This omission seems even more egregious when one considers that the current rule, and the statute which it interprets, also appear to be based on the holding of *Buckley*. The analysis is also silent with respect to the necessity and effect of the extension of the express advocacy tests, which the rule asserts were set forth in the two cases cited, to include the "functional equivalents" of the listed terms. As noted in the comment below, the rule's clarity with respect to the term "functional equivalents" is less than ideal. The analysis could go a long way in clarifying the term's meaning. Finally, the analysis fails to answer the question which readers of the rule will most likely want to know: How does the rule treat the types of communications like the ones at issue in the *WMC* case? Is it the board's intent to bring those types of communications within the scope of the rule, apply a case-by-case test or exclude them altogether? If this rule is a reaction to the *WMC* case, which the contents of the analysis seem to imply, it would be helpful to clarify in plain language the import and meaning of that reaction.
- b. Although it is clear from the text of s. ElBd 1.28 (2) (c) that the identified list of words and phrases are not intended as an exhaustive list, the rule's clarity is considerably lessened by the use of both phrases "such as the following" and "or their functional equivalents." One might suggest that the two phrases are trying to identify the same type of terms. For example, "Vote for Smith," because it is one of the identified terms, would clearly fall under the rule. Additionally, it is presumed that the slogan "Pick Smith" would also become subject to reporting requirements because it is a term such as "vote for" and because it acts as a "functional equivalent" to "vote for." Thus, it appears that there would be no need for the use of both descriptive phrases. Since it seems the phrase "such as the following" is broad enough to include the "functional equivalents" of the terms, it could be argued that the second term is redundant and should be deleted from the rule.

Another possibility evident from the use of both phrases, however, is that something other than literal functional equivalents are intended to be included under the scope of the rule. In other words, "functional equivalent" is intended to include words and phrases that, depending on their use, serve the same function as the listed terms. Thus, the rule creates a context-based test in which communications will be reviewed to determine whether they contain terms that function like the listed terms based on factors such as the way they are used, the timing of the communications and the intended audience. Under this possible interpretation, the phrase "Let

Smith know how you feel" run on the eve of an election could be considered a functional equivalent of "Vote for Smith" or "Defeat Smith."

Whatever the intent of the rule, however, the rule should be clarified so that the public, especially members of the public who might be subject to the rule, know the intended scope of the rule. Clarifying the rule would help to provide sufficient warning before communications are run that a context-based standard is, or is not, going to be used to determine whether the communications are subject to regulation.

c. The phrase "and that unambiguously relates to the campaign of that candidate" is somewhat confusing in light of its use as an additional criterion to determine whether or not a communication is subject to the rule. The rule requires that the triggering terms be used with reference to a "clearly identified candidate" and be used to "expressly advocate[] the election or defeat of that candidate." Could a communication expressly advocate the election or defeat of a candidate without unambiguously relating to the campaign of that candidate while using the triggering terms? Perhaps this is additional evidence that the rule intends to use a context-based analysis. In any event, the rule's clarity could be enhanced, possibly through an explanatory note to the rule or examples of the rule's application to various communications, by identifying how the above phrases are intended to be interpreted in conjunction with each other.

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to Section 227, 19 LY)(d)
6., Stats.

Ny.

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- Regulating issue advocacy is perhaps the most important campaign finance reform inititives today.
- Wisconsin has a long tradition of campaign finance disclosure. We have open government and open campaigns. Issue advocacy is a direct attack on this Wisconsin tradition.
- Under current law, the source of issue advocacy contributions can remain anonymous. We don't know who is paying to play in our campaigns.
- Under current law, the spending can remain hidden. We don't have campaign finance reports to show us what these groups are doing, when they are doing it, or where they are influencing our elections.
- Under current law, these ads clearly are allowed to have an effect on elections. When a television ad says "Senator Smith never met a tax he didn't hike", and that ad runs the week before the election, is impacts the campaign process.
- We need to do this right. We can't just throw something together. We need to think through an effective way to regulate the problem of issue advocacy.
- The analysis we are discussing fails to address this problem seriously.
- The Analysis fails to answer the questions the questions readers would most like to know: How does the rule treat the types of communications like the ones at issue in the WMC case?
 - The rule's analysis is largely unhelpful in understanding the intent and impact of the rule.
 - It does not explain why the rule is necessary or the current rule is insufficient.

- The rule's clarity with respect to functional equivalents is less than ideal.
- The rule's clarity with respect to the term "functional equivalents" is less than ideal. It is presumed "pick Smith" is the same as "vote for Smith". But under this possible interpretation, the phrase "Let Smith know how you feel", running the week before the election, could be considered the functional equivalent of "vote for smith" or "defeat smith".
- Final analysis: Whatever the intent of the rule, it should be clarified so the public knows what it means. Members of the public who are subject to the rule should know the intended scope.
 - Clarifying the rule would provide sufficient warning to those wishing to exercise First Amendment rights before communications are run. People must have knowledge concerning what advocacy behavior is subject to regulation.
 - The Elections Board did not address the issues raies on Ron Sklansky's comments on the rule. I would like the board to respond directly and in writing to Mr. Sklansky's comments.
 - We would also like the Board to consider revising its rule to conform with SB 263, which passed the Senate on Nov. 4 on a 20-13 vote.
- We will not take executive action today, but will act in the next weeks to formally request the Board to revise the rule to make it effective and meaningful.

SENATE BILL 26		
	. 2	ł

An Act to amend 11.06 (2); and to create 11.05 (14) of the statutes; relating to: mass media activities in relation to election campaigns.
1999

10-20-99.	S.	Introduced by Senators Clausing, Burke and Wirch; cosponsored by	
	-	Representatives Travis and Lassa.	
10-20-99.	S.	Read first time and referred to committee on Agriculture, Environmental	
		Resources and Campaign Finance Reform	.292
11-03-99.	S.	Public hearing held.	
11-03-99.	S.	Executive action taken.	
11-04-99.	S.	Report passage recommended by committee on Agriculture, Environmenta	al
		Resources and Campaign Finance Reform, Ayes 3, Noes 2	321
11-04-99.	S.	Available for scheduling.	
		Read a second time	
11-04-99.	S.	Senate amendment 1 offered by Senators Robson and Clausing	.324
11-04-99.	S.	Senate substitute amendment 1 offered by Senator Huelsman	.324
11-04-99.	S.	Senate substitute amendment 1 laid on table, Ayes 18, Noes 15	.324
11-04-99.	S.	Senate amendment 1 to Senate amendment 1 offered by Senator Welch	. 324
11-04-99.	S.	Senate amendment 1 to Senate amendment 1 laid on table, Ayes 18, Noes	15
		324	
11-04-99.	S.	Senate amendment 1 adopted	.324
11-04-99.	S.	Ordered to a third reading	324
11-04-99.	S.	Rules suspended	.324
11-04-99.	S.	Read a third time and passed, Ayes 20, Noes 13	.324
11-04-99.	S.	Ordered immediately messaged	. 324
11-05-99.	A.	Received from Senate	525
11_05_00	Δ	Read first time and referred to committee on Campaigns and Elections	525

1999 - 2000 LEGISLATURE

1999 SENATE BILL 263



October 20, 1999 - Introduced by Senators Clausing, Burke and Wirch, cosponsored by Representatives Travis and Lassa. Referred to Committee on Agriculture, Environmental Resources and Campaign Finance Reform.

Pg1Ln1 Pg1Ln2 An Act to amend 11.06 (2); and to create 11.05 (14) of the statutes; relating to: mass media activities in relation to election campaigns.

Analysis by the Legislative Reference Bureau

Currently, individuals who accept contributions, organizations that make or accept contributions, or individuals who or organizations that incur obligations or make disbursements for the purpose of influencing an election for state or local office are generally required to register with the appropriate filing officer and to file financial reports with that officer, regardless of whether they act in conjunction with or independently of any candidate who is supported or opposed. A person who violates the registration and reporting requirements may be subject to civil and criminal penalties, depending upon the type of violation. Currently, when a person is alleged to have violated registration and reporting requirements, the state has the burden of proving that the violation occurred.

This bill provides that, whenever any person publishes, disseminates or broadcasts any communication that includes a reference to a candidate for an office to be filled at an election, during the 60-day period preceding that election or during the 30-day period preceding any primary for that election, and the communication is substantially directed toward the electorate for that election, it is presumed that the communication is made for the purpose of influencing the election or nomination for election of that candidate, unless the person making the communication establishes, by a preponderance of the evidence, that the communication was not made for that purpose. If the person fails to rebut the presumption provided under this bill and fails to comply with registration and reporting requirements, the person is subject to the applicable civil and criminal penalties provided under current law.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Pg2Ln1

Section 1. 11.05 (14) of the statutes is created to read:

11.05 (14) Presumption concerning certain communications. Whenever any Pg2Ln2 person publishes, disseminates or broadcasts, or causes to be published, Pg2Ln3 disseminated or broadcast, any communication that includes a reference to a clearly Pg2Ln4 identified candidate for an office to be filled at a general, spring or special election, Pg2Ln5 during the 60-day period preceding that election or during the 30-day period Pg2Ln6 preceding any primary for that election, and the communication is substantially Pg2Ln7 directed toward the electorate at that election, it is presumed that the Pg2Ln8 communication is made for the purpose of influencing the election or nomination for Pg2Ln9 election of that candidate, unless the person making the communication or causing Pg2Ln10 the communication to be made establishes, by a preponderance of the evidence, that Pg2Ln11 the communication was not made for that purpose. Pg2Ln12

Pg2Ln13

Section 2. 11.06 (2) of the statutes is amended to read:

11.06 (2) Disclosure of certain indirect disbursements. Notwithstanding Pg2Ln14 sub. (1), if a disbursement is made or obligation incurred by an individual other than Pg2Ln15 a candidate or by a committee or group which is not primarily organized for political Pg2Ln16 purposes, and the disbursement does not constitute a contribution to any candidate Pg2Ln17 or other individual, committee or group, the disbursement or obligation is required Pg2Ln18 to be reported only if the purpose is to expressly advocate the election or defeat of a Pg2Ln19 clearly identified candidate or the adoption or rejection of a referendum or if the Pg2Ln20 disbursement is made or the obligation is incurred for the purpose of making a Pg2Ln21 communication specified in s. 11.05 (14). The exemption provided by this subsection Pg3Ln1 shall in no case be construed to apply to a political party, legislative campaign, Pg3Ln2 personal campaign or support committee. Pg3Ln3

Pg3Ln4

Section 3. Effective date.

Pg3Ln5 Pg3Ln6 (1) This act takes effect on July 1, 2000.

(End)

WISCONSIN LEGISLATIVE COUNCIL STAFF

RULES CLEARINGHOUSE

Ronald Sklansky Director (608) 266–1946

Richard Sweet Assistant Director (608) 266–2982



Jane R. Henkel, Acting Director Legislative Council Staff (608) 266–1304

One E. Main St., Ste. 401 P.O. Box 2536 Madison, WI 53701-2536 FAX: (608) 266-3830

CLEARINGHOUSE RULE 99-150

Comments

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REPORT

OF

STATE ELECTIONS BOARD

Clearinghouse Rule 99-150
Rules Chapter ElBd. 1.28(1)(intro.) and (2)(c)
Wisconsin Administrative Code

El.Bd. 1.28(1)(intro.) and (2)(c)

1. Findings of fact:

This amended rule interprets ss.11.01(3), (6), (7) and (16), Stats. The amendment attempts to define more specifically those communications that are considered to be express advocacy subject to regulation by ch.11 of the Wisconsin Statutes. The rule is thought to be necessary to implement the 1976 U.S. Supreme Court decision in Buckley v. Valeo, 424 U.S. 1, which has been reiterated in 1999 by the Wisconsin Supreme Court in Wisconsin Manufacturers & Commerce, WMC Issues Mobilization Council, Inc., et al. v. Elections Board of the State of Wisconsin, (227 Wis.2d 650, 597 N.W.2d 721). The rule codifies the express advocacy test set forth in those decisions by establishing a nonexclusive list of terms that have been considered by the courts to expressly advocate election or defeat. The rule also extends express advocacy to the functional equivalents of those terms. The term "functional equivalents" has been used to make clear that the term "express advocacy" includes both verbal and non-verbal forms of expression.

2. Conclusion and recommended action:

The State Elections Board unanimously concludes that ss.ElBd. 1.28(1)(intro.) and (2)(c) should be amended. The amendment of these rules is necessary to make clear that ch.11, of the Wisconsin Statutes applies to political speech that expressly advocates the election or defeat of a clearly identified candidate or expressly advocates a specific vote at a referendum. The Board recommends promulgation of this rule.

3. Explanations of modifications to the proposed rule:

The State Elections Board makes no substantive modifications to this rule.

Rely heavily on the Clearinghouse Rule 99-150 memorandum. All words in **Bold** below are taken directly from that Memorandum.

- Regulating issue advocacy is perhaps the most important campaign finance reform inititives today.
- Wisconsin has a long tradition of campaign finance disclosure. We have open government and open campaigns. Issue advocacy is a direct attack on this Wisconsin tradition.
- Under current law, the source of issue advocacy contributions can remain anonymous. We don't know who is paying to play in our campaigns.
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- The rule's analysis is largely unhelpful in understanding the intent and impact of the rule.
 - It does not explain why the rule is necessary or the current rule is insufficient.

- The rule's clarity with respect to functional equivalents is less than ideal.
- The rule's clarity with respect to the term "functional equivalents" is less than ideal. It is presumed "pick Smith" is the same as "vote for Smith". But under this possible interpretation, the phrase "Let Smith know how you feel", running the week before the election, could be considered the functional equivalent of "vote for smith" or "defeat smith".
- Final analysis: Whatever the intent of the rule, it should be clarified so the public knows what it means. Members of the public who are subject to the rule should know the intended scope.
 - Clarifying the rule would provide sufficient warning to those wishing to exercise First Amendment rights before communications are run. People must have knowledge concerning what advocacy behavior is subject to regulation.
 - The Elections Board did not address the issues raies on Ron Sklansky's comments on the rule. I would like the board to respond directly and in writing to Mr. Sklansky's comments.
 - We would also like the Board to consider revising its rule to conform with SB 263, which passed the Senate on Nov. 4 on a 20-13 vote.
- We will not take executive action today, but will act in the nextweeks to formally request the Board to revise the rule to make it effective and meaningful.

aspiteary & #6 Motion by W, Moved by Wirds & I hat the Sen-Common S Object to Clear Ru 99-160, relating to pursions to Section 227, 19 LY)(d)